

**PROPOSITION 50, CHAPTER 8
INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) GRANT PROGRAM
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INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PLAN REQUIREMENTS

Q1. What is the definition of a region?

For the purposes of the IRWM Grant Program, a “region” is defined as a geographic area (See Appendix D of the Guidelines). The physical area, efficacy, and benefits derived from a regional plan are impacted by many variables (physical, political, environmental, societal, and economic); therefore, no physical size or dimension will be prescribed for this term. Rather an IRWM Plan and associated applicant must define its region and explain why the geographic area encompassed is appropriate and yields effective, synergistic, and efficient water management planning.

Q2. What is the definition of “integrated” and “regional”?

Integrated: The IRWM Plan Standards (Appendix A of the Guidelines), presents the standard for integration, which focuses on how the various water management strategies work together to provide reliable water supply, protect or improve water quality, and achieve other objectives. The IRWM Plan Standards also request a discussion of the added benefits of integration of multiple water management strategies.

Regional: For the purposes of the IRWM Grant Program, the term Regional pertains to those elements or aspects that are found within, or represent, a given region.

Q3. Can existing water management plans serve as an IRWM Plan?

Yes. As stated in the IRWM Plan Standards (Appendix A of the Guidelines), the “Plan” need not be called an “IRWM Plan.” An existing watershed management plan, integrated resource plan, urban water management plan, or other regional planning effort may be utilized. While any one planning document may not meet these standards, a collection of local and regional plans may constitute a functional equivalent; provided that the applicant details in the application how the various plans function together to form the basis of an IRWM Plan that meets the standards outlined in Appendix A.

Q4. Do the staffs of the Department of Water Resources (DWR) and the State Water Resources Control Board (State Water Board) have to approve the IRWM Plans before they are submitted with a proposal?

No. The State agencies are not assigned the responsibility to approve plans; we will be assessing whether the plan has been adopted by the local agencies and organizations participating in the development of the IRWM Plan and whether the plan meets the standards contained in Appendix A of the Guidelines.

Q5. Will we be able to receive guidance on whether or not an existing "plan" will qualify and meet the standards of an IRWM plan for an implementation grant prior to submitting an application?

No. We can only provide guidance in general terms. We can discuss your proposal and give you an idea of how it may qualify or better address program criteria. We do not have sufficient staff resources for detailed review of proposals prior to submittal. The workshops and related information posted on our web sites at

<http://www.grantsloans.water.ca.gov/grants/integregio.cfm>

provide additional valuable guidance.

INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PLAN ADOPTION AND SUBMITTAL

Q6. Who or what would formally adopt an IRWM Plan?

Adopted IRWM Plan – means an IRWM Plan that has been formally accepted, as evidenced by a resolution or other written documentation, by:

- The governing body of the regional agency authorized to develop the Plan and takes responsibility for implementation of the Plan; **or**
- The governing bodies of the agencies and organizations that participated in the development of the Plan and take responsibility for implementation of the Plan. (See Appendix D of the Guidelines.)

The applicant must provide a copy of an adopted IRWM Plan, including a signed signature page of all agencies and organizations that approved the IRWM Plan or other documentation that the IRWM Plan has been adopted. (See Section 1.B in Appendix C of the Guidelines.)

Q7. How many projects/applications can be submitted under one IRWM Plan?

We are asking for one proposal per region but there is no limit on the number of projects that can be bundled together in one proposal. The maximum Implementation Grant award is \$50 million per proposal. The participants in the regional effort will need to determine which project or group of projects they wish to propose.

REGIONAL REQUIREMENTS AND ELIGIBILITY

Q8. For an existing, adopted IRWM Plan, does the agency responsible for the Plan need to be the grant applicant?

No, the applicant does not need to be the same agency as the regional planning agency.

Q9. How would a small city or individual water agency be able to put together a Regional Plan?

This program is designed to provide funding to integrated regional efforts; therefore, individual cities or agencies that are not participating in a regional effort may not be able to compete for funding.

Q10. Could there be different proposals that overlap the same area? Could both proposals be eligible for a (separate) grant? Would they be in competition with each other?

Possibly, but the plans could be viewed as being weaker if there are some unrealized linkages or synergistic benefits. In addition, the application needs to be clear that there is no added value of combining plans that overlay. The two plans should not be in competition, but should work together. In certain cases, individual agencies or organizations may participate in different regional efforts depending on geography, Plan objectives, or other relevant factors. For such cases, the application should include an explanation of why participation in various regional efforts is appropriate.

Q11. Are non-profit organizations able to be the lead agency for a regional proposal?

Yes, as long as the organization meets the definition of a non-profit organization, as specified in the Guidelines.

Eligible grant recipients are public agencies and non-profit organizations, as defined below:

- “Public agency” means a city, county, city and county, district, joint powers authority, state agency or department, or other political subdivision of the State.
- “Non-profit organization” means any California corporation organized under Section 501(c)(3), 501(c)(4), or 501(c)(5) of the federal Internal Revenue Code.

Other entities, including but not limited to privately owned water utilities regulated by the Public Utilities Commission, may be part of the regional water management group responsible for applying for a grant and may perform work funded by the grant. (See Section III.A of the Guidelines.)

FUNDING AVAILABLE

Q12. Will the State partially fund proposals?

Yes, it is possible that we may not award an applicant the entire amount of grant funding requested.

Q13. Can funds be used to acquire land?

Acquisition of land required to support the proposed project(s) is a reimbursable cost. However, purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to the effective date of a grant agreement with the State is not reimbursable. (See definition of reimbursable costs in Appendix D of the Guidelines.)

Land acquisition costs will not be considered a reimbursable item if purchased prior to the effective date of the grant agreement. Land purchased after November 5, 2002 can be used for funding match purposes.

FUNDING MATCH AND FUNDING ELIGIBILITY

Q14. Is the funding match percent based on the cost of the entire proposal or just the amount requested from the state?

The funding match must be based on the total proposal cost.

Q15. Is there guidance on what costs are considered reimbursable costs?

Yes, Appendix D of the Guidelines provides the definition of reimbursable costs that may be funded under Proposition 50. Reimbursable costs include the reasonable costs of engineering, design, land and easement acquisitions, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation.

Q16. What qualifies as a funding match? Can other Proposition 50 funds be considered for funding match? Is funding match limited to non-state funds?

The applicant is required to provide a funding match. “Funding match” means funds made available by the grant recipient from non-state sources. The funding match may include,

but is not limited to, federal funds, local funding, or donated services from non-state sources. Therefore, other Proposition 50 funds cannot be considered for funding match. For a State agency, funding match may include state funds and services. (CWC §79505.5(b-c))

- ◆ The required minimum funding match for a Planning Grant is 25 percent of the total proposal costs.
- ◆ The required minimum funding match for an Implementation Grant is 10 percent of the total proposal costs.

INTEGRATED COASTAL WATERSHED MANAGEMENT (ICWM) PLANS

Q17. Are you looking for only one Integrated Coastal Watershed Management (ICWM) Plan to fund?

The law requires that the State Water Board fund at least one ICWM planning grant. However, the State Water Board could fund more than one. Up to \$12 million is available for IRWM planning grants during the first funding cycle; \$2 million of which is allocated for ICWM Plans. Each planning grant award is limited to a maximum of \$500,000.

Q18. Is the limit on the Integrated Coastal Watershed Management (ICWM) grant amount and cost share the same as for the IRWM Plan?

Yes. Each planning grant is limited to a maximum of \$500,000 with a required minimum funding match of 25 percent of the total proposal cost.

Q19. Are the criteria for the Integrated Coastal Watershed Management (ICWM) Plan the same as for IRWM Plans?

Yes, there is one set of evaluation criteria for Planning Grants that applies to both IRWM and ICWM plans (see Table B-1, Appendix B of the Guidelines). For ICWM Planning Grants, demonstration that the proposed planning area is located in a coastal watershed that influences water quality in an area of special biological significance is required. If there are existing or proposed projects in the same watershed funded by the State Coastal Conservancy, or the State Water Board's Clean Beaches Initiative, the applicant must describe proposed integration with those projects.

GUIDELINES AND REQUIREMENTS

Q20. Do all Water Management Strategies need to be considered in the Plan?

Pursuant to California Water Code, sections 79562.5 and 79564, the Plan must consider all of the water management strategies marked with an asterisk (*) in Table A-1, Appendix A of the Guidelines. The Plan does not need to include them all, but in order to meet the minimum IRWM Plan Standards the plan must demonstrate that the asterisked water management strategies were considered during the planning process.

Q21. At what stage of completion does a project have to be in order to request funding as part of an implementation proposal?

We are looking for projects that are near the implementation stage. Applicants should keep in mind that this is a competitive process; those proposals that can demonstrate that they are ready to proceed in a timely manner will compete better than those proposals that cannot.

SUMITTAL PROCESS AND SCHEDULE

Q22. How will the State Water Board and the DWR review the application?

The review process is specified in the Guidelines. (See Section V.E-G of the Guidelines.)

Q23. Will the public be provided results on the evaluation of the various grant applications?

Yes. See Section V.H of the Guidelines.

Q24. What technical assistance is available?

Five informational workshops were held in March and April 2005 to address applicant questions and to provide general assistance to applicants in preparing their Planning Grant and Step 1 Implementation Grant applications. The workshops provided detailed technical assistance on the IRWM Plan Standards, procedures for determining disadvantaged community status, and other relevant topics. Additional workshops will be scheduled and held for the Step 2 Implementation Grants. The presentations made at the five workshops are available on-line at: <http://www.waterboards.ca.gov/funding/irwmgp/index.html>.

In addition to the informational workshops, applicants are encouraged to seek assistance from the DWR, State Water Board, and Regional Water Quality Control Boards (Regional Water Boards) staff. Staff can assist applicants in understanding the IRWM Grant Program requirements and in completing grant applications. Based on availability, staff from the DWR, the State Water Board, and the Regional Water Boards will meet with potential applicants to provide feedback or help to applicants. It would be beneficial if applicants asked specific, focused questions rather than general questions about their proposals. Our assistance does not extend to helping an applicants prepare the actual application.

Q25. How and where do we submit an application?

Applications will be submitted using the State Water Board's Financial Assistance Application Submittal Tool (FAAST). FAAST is a web-based application that is accessed using your Internet browser software. Instructions for submitting your application are included in the PSPs. Applicants must submit a complete application on-line using FAAST. FAAST can be found at the following secure link: <https://faast.waterboards.ca.gov>.

Q26. Can an applicant apply for both a planning grant and an implementation grant?

Yes. However, the applicant may wish to carefully evaluate the merit of applying for the implementation grant program if a competitive IRWM Plan has not been completed or will not be adopted by January 1, 2007. To be competitive in both the Planning and Implementation grant programs, the applicant should ensure that the grant proposals are complementary.

Q27. If an applicant submits a proposal that includes several projects, is it possible that some projects may be identified as eligible for funding and others may not?

Yes. Potential applicants should carefully review the lists of eligible proposal/project types included in Section III.C of the Guidelines. We will not fund proposals, or projects within proposals, that are deemed ineligible. Additionally, the proposal will be reviewed as a whole. Part of the review will include evaluating each of the projects in the proposal and commenting on those projects that are more competitive than others and the strengths or weaknesses of the projects. At this point, we do not plan to select specific projects to fund within the proposal. However, it is highly likely that a reduced grant amount may be

funded. In such cases, the funding agency will work with the grantee on how to restructure the proposal to address the reduced funding amount.

It is important that the proposal demonstrate how all projects, even those ineligible for funding, would be completed to meet the Plan objectives of the region. The proposal should identify all of the projects that need to be completed and their importance to meeting the Plan objectives. The proposal should specifically identify and discuss the projects for which the applicant is requesting grant funds.

In Step 2, the applicant will be expected to submit the same basic proposal that was submitted in Step 1 and provide additional information requested in the Step 2 Proposal Solicitation Package. The applicant may choose to strengthen his/her proposal by eliminating or improving a component project in response to the reviewers' comments. Such changes must be discussed in the Step 2 application.

Q28. If there are a number of projects included in one proposal, how does the \$50 Million maximum grant award apply (per project or per proposal)?

The maximum grant award for each proposal, which may include one or more projects, is \$50 Million. In addition, there will only be one grant award for a region.

Q29. What is the schedule for the second funding cycle of IRWM grants?

The schedule for implementation of the second funding cycle will depend in part on response to the Proposal Solicitation Packages and the regional needs.

DISADVANTAGED COMMUNITIES

Q30. What is the definition of a “community”?

The Guidelines define a community as a population of persons residing in the same locality under the same local governance.

Q31. What is the definition of a “disadvantaged community”?

The Water Code defines a “disadvantaged community” as a community with an annual median household income less than 80 percent of the statewide annual median household income (CWC §79505.5 (a)). (See Appendix D of the Guidelines.)

Based on Census 2000 data, 80% of the statewide annual median household income is \$37,994.

Q32. Is there a set aside for disadvantaged communities?

No specific set asides for disadvantaged communities were authorized in Proposition 50. However, one of the “Program Preferences” (Section II.E of the Guidelines) is “safe drinking water and water quality projects that serve disadvantaged communities” and the funding match can either be reduced or waived for disadvantaged communities. (See Section V.K of the Guidelines.) More details for reducing or waiving the funding match requirements for the Planning Grants are provided in Exhibit D of the Planning Grant Proposal Solicitation Package.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PROCESS

Q33. At what stage of the grant process does California Environmental Quality Act (CEQA) have to be complete?

The DWR and the State Water Board may award a grant, but will not execute a grant agreement with a grant recipient until CEQA has been completed and proof of completion has been submitted.

LABOR CODE

Q34. What is a Labor Compliance Program?

California Labor Code, section 1771.8 requires the grantees awarded funds for implementation of a public work project financed in any part with Proposition 50 funds to adopt and enforce a labor compliance program pursuant to California Labor Code, section 1771.5(b). Compliance with applicable laws, including California Labor Code provisions, will become an obligation of the grant recipient under the terms of the grant agreement between the grant recipient and the granting agency.

For specific information regarding the Proposition 50 Labor Compliance Program requirement, please see the following link to the California Department of Industrial Relations web site: <http://www.dir.ca.gov/lcp.asp>. This site also provides links for contacts and information on other labor code responsibilities. You may also consult your legal counsel regarding compliance with all applicable laws.

PSP/WORKSHOPS

Q35. For the Implementation Grant, Attachment 8, Schedule, please clarify the criterion on Page 30 of Guidelines: "Demonstrate that related elements of the IRWM Plan, not proposed for funding, will be completed on schedule." It would seem the criterion is asking for a schedule that encompasses the entire planning horizon instead of just the proposal for grant funding.

This criterion refers to those proposal components that are part of a larger project. Applicants should present timelines for all the projects contained in the proposal, even portions of a project that are not proposed for grant funding. For example, if the applicant, as part of their proposal, has requested grant funds for phase 1 of a 3-phase project, the applicant should include on their schedule the timelines for all 3 phases, not just the grant funded portion. This allows the reviewer to see how the grant funded portion fits into the entire project.

Q36. Please clarify the restrictions on surface water storage discussed in the workshops.

During the Proposal Solicitation Package workshops we discussed that Proposition 50 prohibits grant funding for any projects that include an on-stream or off-stream surface water storage facility, other than for percolation ponds for groundwater recharge in urban areas. These projects can still be part of a proposal, but grant funds cannot be used to pay for this work. We interpret this restriction to allow for funding of water storage tanks, and recharge ponds in agricultural areas.

Q37. To whom do applicants address the letters of support?

The two types of support letters that may be submitted as part of the application process are letter from: (1) Disadvantaged Community Representatives; and (2) other stakeholders. All letters of support should follow the instructions listed below.

The address block and mailing address for support letters is:
The IRWM Grant Program
State Water Resources Control Board
Division of Financial Assistance
1001 I Street, 16th Floor

In the salutation line of the letter please use: "To Whom It May Concern".

Please do not address letters to the State Water Board or DWR management. Please do not submit these letters separate from your application; letters of support should be part of your application submittal. Disadvantaged Community letters for planning grants are part of Attachment 4 and for implementation grants the letters are part of Attachment 10. Other stakeholder letters should be included in the attachments that address stakeholder support, Attachment 3 for planning grants and Attachment 6 for implementation grants.

Q38. For our regional proposal we have a suite of projects that include a project in which a State agency is the project sponsor and will fund a portion of the costs for that specific project. Can we count the State agency's funding as part of the funding match?

Funding match means funds made available by the grant recipient from non-state sources. Funding match may include, but is not limited to, federal funds, local funding, or donated services from non-state sources. For a State agency, funding match may include state funds and services. (CWC § 79595.5 (b-c))

Applicants must avoid using other state grant or loan funds as part of the funding match for the IRWM grant program. However, in this specific example, where a State agency is a specific project sponsor and the State agency is actively working on the project with state funds, the applicant can use those state funds as part of the funding match.